

## Defence and crisis management: scenarios and future development

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This short paper looks into how defence and crisis management in Europe are affected by the new US administration and Brexit. It turns out to be a rather complicated equation: We have to look into the tripolar political relationship between the UK, the US and Europe/the EU. The move of one pole closer to the other affects the relative relations between all poles. At the same time, the triangular relationship related to defence and crisis management implies that the overall external environment will heavily influence the development of the need for defence and crisis management, whether the US, UK or Europe like it or not.

We use the style of scenarios to offer spotlights on the causes that might drive these

developments or their results. The objective is to raise awareness and stimulate thought on these matters rather than to generate fully coherent scenarios or even strategies on how to deal with the possible futures. These developments are not exclusive to one scenario: they can also mix or overlap. They can be seen rather as modules as far as their development is not connected to the tri-polar relationship – where every move by one has consequences for the other but modules that describe external developments that could happen in all of the scenarios.

Three scenarios outline possible futures and address the added value of transatlantic cooperation for European security. The



following three key uncertainties define the content of the scenarios:

- The future of transatlantic relations, (how, in which constellation will both sides of the Atlantic continue to work together)
- The future role of the EU (What role will the EU play as a political framework for security and defence related issues, especially the question of whether it can institutionalize consensus among 27 states)
- As to the UK first, whether it will tend more to the US or the EU/the continent. This may well depend on the policy and incentives both sides can offer. Second, if the UK can still hold its level of capabilities or whether the Brexit effects will shrink the UK forces.

We assume that the security environment of Europe will deteriorate. This increases the need to do more and to spend more in security and defence.

**The scenarios offer the following main lessons:**

1. The meaning and the importance of crisis management and territorial defence can change rather fast. The distinction may become blurred and external operations more important than territorial defence – be it under a UN or US framework.
2. The question how crisis management and territorial defence will develop is less linked to sufficient military capabilities than to political unity within Europe, the

relationship with the US, and the EU-UK relationship.

3. The industrial dimension plays a serious role: not because of high volumes in defence procurements but because many European countries are dependent on US supplies and cooperation and may look to change this if political ties deteriorate. In fact, many Europeans hoped to buy US commitment when buying US products.
4. A rift in the transatlantic partnership will expose the Europeans to the same risks as the US. But Europeans may find an alternative to the US support in political, military and technological areas. New partners of Europe do not have to be partners of the US.
5. Russia can be a strong factor only if the currently existing system of security institutions is weak – and the US actively weakens the order through bilateral deals that compromise on common security in Europe.
6. We may see a fast and serious decline of UK military power – which might mean it will no longer be able to operate East of the Baltic Sea and South of the Canary Islands.
7. China and the Middle East may soon be more important than Russia as strategic actors and crisis spots respectively. This might redirect attention, and turn it from Russia and the Northern region.

## **A rational deal: several crises drive the US back into cooperation with the EU but sidelines the UK**

On Christmas Eve 2025, the US President declares the beginning of a new era in 300 year-long transatlantic relationship: “Brothers on both sides of the Atlantic have to stand together against the increasing threats around them”. On New Year’s Eve, leaders in Europe welcome this US overture and respond jointly in the form of a unified message issued by EU Council President Angela Merkel.

In 2020, the US entered into several conflicts in the Middle East. Cooperation with its local partners, with which the US sought to build a coalition, is getting increasingly difficult. The US needs increased legitimacy in the area, and hopes to gain it by persuading more Europeans to join the coalition Washington has set up. As of 2019, the Europeans are willing to send a unified force of 50.000 soldiers as a UN force into the former Syria to implement a regional peace agreement, which Russia backs. The EU is more directly affected than the US by the spillover effects from the violence in the Middle East and needs the US as a balancer in Asia especially to increase the costs of security for China and thus to slow down their economic power. Costs for operations and deterrence contributions lie where the fall.

The EU of 2025 has become more federalized after Brexit and its move towards a multiple-speed Europe (that is a Europe in which different countries of the EU integrate at different levels and pace depending on the political situation in each country). The multiple-speed Europe has established a two class EU , the avant guard which is highly integrated, and the second

row or outer circle of countries who were not willing or able to join the first group. In fact, nobody wants to be part of the second class, as it smacks of being a loser. This has driven many countries to increase their national efforts and support for the EU. In return, more resources are being funnelled back into the countries.

The only country not reacting to these developments is the UK. It was taken by surprise because its diplomatic staff, cut by 50% due to a budget crunch after Brexit, did not see the crisis coming and was unable to react. In fact, the devastating loss of value of the pound hit the country very hard in all areas. Public spending has been hit hard, especially the defence sector, which has had many of its projects stopped or abandoned again. As a result, the UK’s relevance as a military capability provider has shrunk dramatically. Before Brexit, it had provided 20% of overall European capabilities; in 2019 it only provides about 8%. Its contribution to the European pillar in NATO is a running joke in Europe. It thus had to give up commitments to its partners in Europe and the US.

Yet, as the (other) Europeans keep investing 2% of their GDP into defense, they keep alive the defense industry in Europe, which is even able to innovate in some areas. However, innovation in new areas like cyber is only possible with US companies. Here, at least some European companies (financially supported by the European Commission) have been able to successfully sideline classic US defense companies and strike deals on innovation partnerships with Silicon Valley actors.

## **EU turns into a Fortress Europe and finds new friends**

Growing transatlantic political differences and a US that has exhibited a more transactional approach to the relationship have torn apart the EU member states and the US. The EU has started organizing security on its own, rather than with the US. This has demanded tough political compromises and financial commitments, such as paying far more than in 2017 for security and defence. However, it has eventually been effective. After high casualty terrorist attacks in Warsaw and Rome, the EU member states agreed on more effective measures by setting up a central security agency, vamping up Frontex and launching a growing external security force – a type of European armed force.

Europe sees a growing need to use crisis management operations to fight terrorist networks already in Africa, but also in the Middle East as a kind of forward defense. Here, the EU clashes with the US which still plays a dominant role in the region: while the EU uses a comprehensive approach, the US backs a military heavy counter-terrorism strategy of the Middle Eastern countries based on head counts. The EU sees its approach undermined by the negative consequences the US approach has.

France has vamped up its nuclear force, providing a minimal deterrent with nuclear sharing across Europe. Costs for that as well as for operations are covered by an EU budget for those who pay 2% of GDP on defense and 50% into this EU budget. However, it is now under pressure from a US that now describes the EU as a growing

risk to US security because the Union has acquired new nuclear weapons.

Other European countries like Norway and UK want to (re-)join as the EU has demonstrated such effectiveness and as the costs for being allied with the US is increasing in terms of resources (large defence acquisitions have to be US-built), and reputation (US poodle).

The EU cannot make up for the US investments in defence via the “defence innovation initiative” – the follow up to the 3<sup>rd</sup> Offset initiative. But it ensures a serious level of industrial base and technological autonomy through a 3% investment of GDP in security and defence. A *buy European act* is introduced. US companies who are part of the supply chain for European systems have to re-negotiate their contracts for European governments through the EU if they want to take part in future public procurement tenders. Especially, they have to allow technology transfer for those systems for which the Europeans have paid a share of the R&D. US companies find attractive offers from European governments and the EU. But they may have to fear negative reactions from the US side.

At the same time: As the US slides into a more isolated position regarding Europe, other partners around the globe become more attractive. To gain access to technologies and systems it no longer produces internally, the EU has included security and defence into its global trade agreements. It now buys some parts of its technology and components from South Korea and India in exchange for nuclear and green technology. It prepares for a major equipment deal on attack helicopters either with China or Russia. Joint exercises

between Europeans, China and Russia take place.

### **A split-up Europe meets a hegemonic US**

A scandal involving the French president has helped Marine Le Pen into the Elysée Palace earlier than expected. Her declaration of national independence from the EU has triggered the complete dissolution of the EU. While the economic union still exists, the political union is history. This pushes the European security order based on institutions to shift over into a (military) power-based “concert of nations” type of order.

The US in 2022 has about 35 bilateral security agreements with European States. These include Article 5-like protection, that is, collective defence as it was previously enshrined in the Washington Treaty which in good old times set out the core promises of the now obsolete NATO. Collective defence means that an attack against one ally is considered as an attack against all allies. The 35 new bilateral agreements have effectively hollowed out NATO’s political meaning and turned it into a coordination agency for US-European Equipment. Moreover, the countries have agreed to buy US equipment to ensure interoperability with US and other friendly forces.

The US –“foreign military sales” instrument tripled its turnover volume. Europe pays about 2% of its GDP for this. The US offers offsets to every country. European national industries participate in the production of parts in their countries. In some cases of larger European companies, these are allowed to produce for the US market and gain support by the US also for

exports –with regulations in line with US ITAR- regulations. This way US companies make the rest of the European defence industry either American or turn them into elements of a production chain with US-companies on top.

Europe’s political leverage on the use of armed forces is limited. The US asks the Europeans to conduct missions in Africa, under the command of US ACOM. Remaining gaps in capabilities are filled by the US.

Dependence has its merits: in terms of security of supply and interoperability, the US will ensure harmonized standards. Moreover, the US offers the framework for cooperation. Hence, much of the costs incurred from political fights over the right framework just disappear. However, there are also downsides. The US will hold the key to the European national militaries. The leverage for the Europeans when it comes to operations is limited.

Yet, Moscow has followed both developments, the shifting political situation in France and in Europe as a whole, with huge interest. It now sees the window of opportunity opening to gain influence in Europe. It reactivates its old ties with the US president and proposes several bilateral deals, reaching from nuclear disarmament of ICBMs to peace agreements in the Middle East. This honeymoon questions the Article 5 commitments in Europe and their counterparts in the bilateral agreements.

The UK (would) gain from this return of a concert as its relative power in Europe would increase. But its security would

depend whether it makes it dependent on the US, on the Europeans, or on Russia.

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